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Classification 67.4  
3P

SUBJECT: Source 8559 (U)

DATE: 23 JUNE 1967

REFERENCE: CR 106-67 OCT 1 ANG

REPORT NUMBER: CR 113-67 OCT 1 ANG

CONTACT NUMBER: 4

PROJECT: 110229/1A (AO CH)

## WARNING NOTICE - SENSITIVE SOURCES AND METHODS INVOLVED

### 1. (C) CIRCUMSTANCES OF CONTACT:

- a. Parties Involved: Source 8559 and D.A. LESSMAN (CH: LEITER)
- b. Purpose: Further assessment and acquisition of information to be utilized in pending operation.
- c. Exact time, date, and place: Upon arrival in Hamburg, the AH contacted Subject telephonically from the Hauptbahnhof and completed arrangements to meet with him at his home at 1530 hours, 21 June 1967. Later moved to a small Hungarian restaurant in the Haselbrook area Hamburg, where operational discussions were held until 1735 hours.
- d. Security measures: No attempt at surveillance was noted before, during or after the meeting.
- e. Language used: English and Chinese Mandarin
- f. AA's: bei Zakowski  
6 Frankfurt/Main,  
Gruenburgweg 139
- g. USI telephone numbers: 551532
- h. Discrepancies and incidents: None
- i. Close of meeting and new meeting arrangements: All future meetings would be held in public facilities selected in advance by the AH. It was further agreed that the AH will contact Subject by telephone on 27 June 67 to determine his availability, and to arrange the next meeting time and site. The AH departed Subject's residential area at 1820 hours.

### 2. (C) OPERATIONAL MATTERS: POUCH SECURITY VIOLATION NO FIELD DISTRIBUTION

a. Subject stated that since the last meeting of 15 June 67, he has given considerable thought to the idea of providing assistance to the AH, and that whereas he still feels that he may be able to provide the suggested assistance, the requirement for a suitable legman continues to be a matter of some concern to him. In this respect, Subject revealed that he has rejected the idea of utilizing the individual (unnamed) mentioned during the previous discussion, because of the fact that this individual is too knowledgeable of Subject's position within the Ostasiatischer Verein, of his own personal research projects, and of the type of research normally conducted by Subject.

ATTN 4 TO CGPA 46143

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FOR COORDINATION WITH

US Army

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CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
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and would immediately become suspicious regarding the job requirements and source of monies supplied to him for expenses and payment. Any intensive deviation or extension of this normal research pattern, would result in subsequent questions and difficult explanations. Subject reiterated his opinion that this individual does possess all the prerequisites, but again stated that the inherent danger of arousing his suspicions will preclude his utilization in the intended manner.

b. Subject advised that after mentally reviewing several other potentials, he feels that he may be able to engage the services of a young (age 28-30) Sinologist, who is currently finishing up his degree in a PhD in psychology, and who may be attracted to both the opportunity to pursue his interest in the field of Sinology, as well as the financial gain involved therein. Subject stated that whereas he has had extensive contact with this individual in the course of his work at the Ostasiatischer Verein, the contact has not been of a close enough nature to enable the individual to become too knowledgeable regarding the extent of Subject's activities. He further opined that he could utilize this individual without drawing too much attention to his expanded research, or to his involvement with USI. Subject was unable to supply complete biographical data on this individual, except for the fact that his name is ~~XXXXXXXXXX~~; he is 28-30 years old; speaks Mandarin Chinese and has spent approximately one year in Taiwan. This potential legman has supplied articles concerning the Far East to the Institute fuer Asienkunde, Hamburg, and the correct spelling of his name was obtained from one such publication. Subject advised that he will attempt to contact VIERHILLER within the next week, and through circumspect queries, will ascertain the extent of his availability and interest. If VIERHILLER exhibits a favorable response, Subject will then attempt to obtain further Bio data for required NTR checks.

c. During an extensive discussion of probable expenses for both himself and the legman, Subject stated that the only criteria he could draw on for an estimate of legman expenses would be that as currently paid by his own parent and similar organizations for this type of work, and that this generally amounts to full transportation cost; DMW 40.00 per day for lodging and meals; plus an additional DMW 40.00 per day as payment for their services. Subject further stated that this amount varies with the individuals concerned, but that the average is figured as above. After much prompting, Subject reluctantly quoted a figure of \$200.00 per month as an estimate of what he would consider to be fair compensation for his services, and stated that whereas this may appear to be somewhat high, he would have to consider this amount in light of other personal projects that would have to be abandoned in order to provide necessary time to this project. Subject was advised that this figure would be reviewed and given consideration by the AH if and when a decision is reached to enter into any formal agreements with him.

d. Apropos methods and procedures to be employed in debriefing/interviews conducted by either himself or legmen, Subject indicated that he did not anticipate any difficulty in utilizing his current status as one of the foremost Sinologists in Germany, as well as his position within the Ostasiatischer Verein, to obtain full cooperation from German personnel returning from China, but opined that queries regarding detailed specifics (XSI) would have to be handled with extreme caution to avoid surfacing an intelligence

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interest. After further discussion of this point, it was agreed that practically every interview would have to be handled on a case to case basis, and that questions would have to be prepared prior to each interview, and presented so as to insure they fall within the credibility area of Subject research interest.

3. (U) LEADS: See paragraph 2b.

4. (C) PERSONALIA: Subject's concern with security in his possible involvement with USI is evinced in his rejection of the one potential legman in favor of a lesser qualified, but more secure individual. Subject is realistic and methodical in all matters, and attempts to surface and resolve delicate issues as they arise.

5. (U) PRODUCTION: None

6. (C) FINANCE AND LOGISTICS: During the contact described herein, a total of \$5.36 ICF was expended for transportation to and from the meeting site. Two small bottles of powdered coffee were also presented to Subject to enhance the interest of rapport.

7. (U) AGENCY CHECKS: Completed.

8. (C) COMMENTS: During the course of casual conversation regarding his work at the Ostasientischer Verein, Subject referred to a recent copy of U.S. World Economic Report, and requested the AH's assistance in obtaining one copy each of two US Government Printing Office Publications mentioned therein. The requested publications are described as follows:

An economic profile of Communist China: Studies prepared for the Joint Economic Committee, Congress of the United States, 2 vols., US Government Printing Office, Washington, 1967. \$1, and \$1.25. This AH will take necessary steps to obtain and deliver subject publications to Subject.

*DALE A. LESSMAN*  
DALE A. LESSMAN

AH OP

## SUPERVISOR'S COMMENTS:

1. (U) Recommend approval

*W. R. ROZE*  
WILDIS R. ROZE  
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